

TOSSD: A NEW STATISTICAL MEASURE FOR THE SDG ERA

The international community is working to develop a new international statistical standard, Total Official Support for Sustainable Development (TOSSD), in order to track resources invested to achieve the Sustainable Development Goals (SDGs). The new framework will facilitate greater transparency about the full array of officially-supported bilateral, multilateral and South-South finance provided to finance sustainable development. It responds to new financing imperatives implicit in the 2030 Agenda – the importance of mobilising SDG-supportive investments by the private sector, and of marshalling more resources to provide global public goods, investments and services to promote the enabling conditions for sustainable development and to address global challenges.

This brief sets out the structure, components and operational features of TOSSD. It describes the current configuration of the measurement framework as work to develop it transitions to a new context, where the impetus to finalise TOSSD and anchor it in the international arena will be vested within the United Nations (UN) system.

THE ORIGINS OF TOSSD

The TOSSD concept first emerged in 2014 in the course of work undertaken by the OECD Development Assistance Committee to align its statistical system with today's development finance landscape. The concept quickly gained traction. The world took note in the Addis Ababa Action Agenda in July 2015, calling on the OECD to lead the way to develop TOSSD hand-in-hand with the international community at large. And in February 2016 the measure was integrated into Goal 17 of the SDG monitoring framework as a medium-term statistical input to indicator 17.9.

Work to develop TOSSD has been actively carried out over the past two years in close and continuous consultation with a wide variety of development stakeholders and actors, including civil society, government officials, the private sector, international experts and private citizens. A special web-based consultation on the TOSSD Compendium, which detailed the narrative, structural elements and statistical features of the framework, has provided wide-ranging, substantive feedback of particular value in ensuring TOSSD will be relevant to the needs, concerns and aspirations of the international community.

An important new phase in developing TOSSD is beginning: while initial efforts have been led by the OECD DAC in order to maintain momentum, TOSSD work will now be taking place under the aegis of the UN.

What's the value proposition of TOSSD?

TOSSD will:

- establish a sound, **shared international statistical framework** for monitoring and connecting up resources supporting the SDGs;
- facilitate a cohesive and holistic approach to scaling up the Means of Implementation of the 2030 Agenda across the **global partnership for development (SDG 17)**;
- nourish the **empirical basis for informed international policy discussions** about the scope, targeting and relevance of broader development finance towards SDG implementation;
- **“demystify” complex financing operations**, identifying different financial components by instrument, volume and source;
- **facilitate learning and exchange of good practice** among developing countries about accessing and combining external resources most effectively;
- offer insights about how and to what extent the international community is providing finance to address **global challenges and promote development enablers**, and
- foster greater collaboration, reduce gaps and enhance synergies across development partners financing the SDGs.

WHAT IS TOSSD?

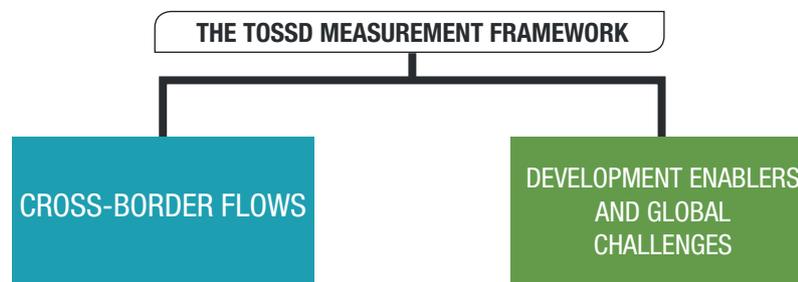
TOSSD will measure “external” finance – resources provided from beyond the borders of the countries receiving it. It will cover all officially-supported resource flows regardless of financial instrument used or level of concessionality, or whether they are delivered through bilateral or multilateral channels. TOSSD will enable the international community to monitor resources supporting the SDGs above and beyond ODA, including private resources that are mobilised through official means. It will also track international support for development enablers and global challenges – heretofore “invisible” in global development finance statistics.

The current “working definition” of TOSSD

“TOSSD includes all officially-supported resource flows to promote sustainable development in developing countries and to support development enablers or address global challenges at regional or global levels.”

THE BASIC ARCHITECTURE OF THE TOSSD MEASUREMENT FRAMEWORK

TOSSD would be composed of two components: one capturing the flow of resources crossing the border into a developing country, and one capturing resources for promoting development enablers or tackling global challenges at national, regional or global levels.

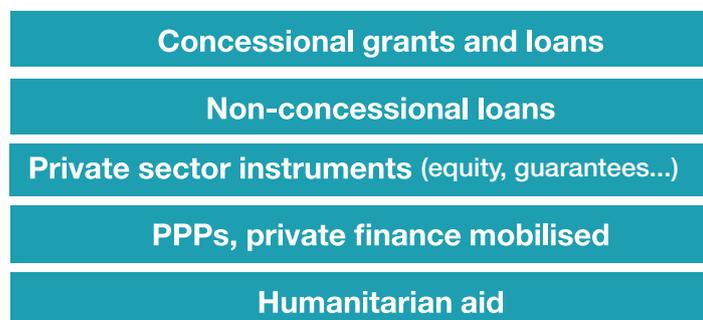


HOW MUCH SDG-RELEVANT FINANCE IS FLOWING TO DEVELOPING COUNTRIES?

The cross-border flow component would cover a wide range of officially supported resources as shown in the figure below. Flows would be recorded on both a gross basis (illustrating the total amount of resources available) as well as a net basis (to provide clarity on associated reflows/contingent liabilities). This component would also include private resources mobilised through official interventions. It responds to clear information needs identified by developing countries: a TOSSD pilot in Senegal, for example, revealed that more comprehensive information/mapping of complex development finance arrangements would improve strategic planning and decision-making by government authorities.

FINANCIAL INSTRUMENTS COVERED IN THE CROSS-BORDER FLOW COMPONENT

TYPE OF SUPPORT COVERED

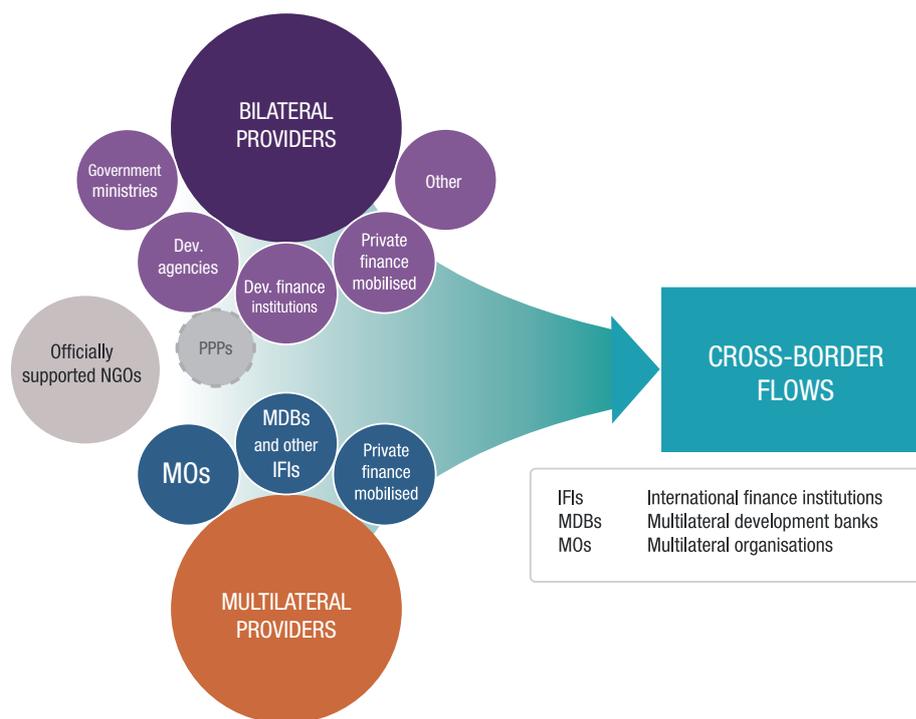


UNCLEAR WHETHER/TO WHAT EXTENT SUPPORT COVERED



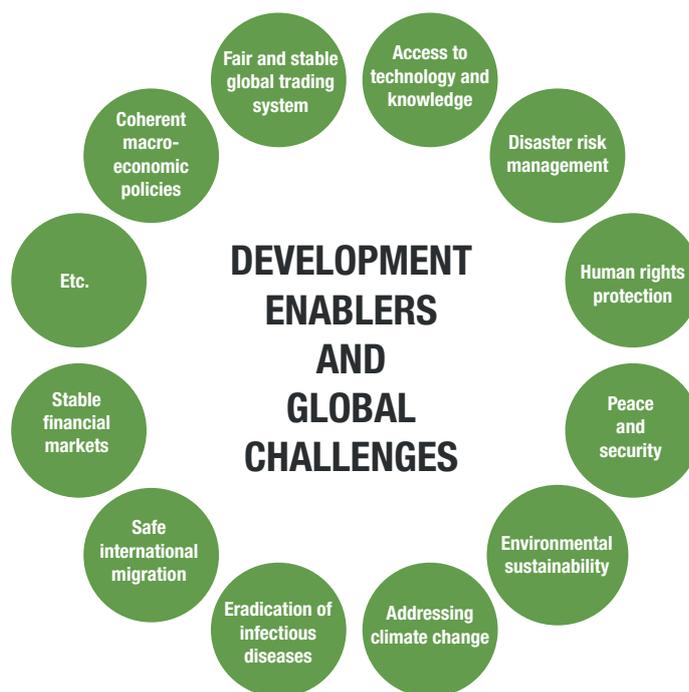
The cross-border flow component would track resource flows and investments coming from a wide variety of bilateral and multilateral institutions, agencies, banks and investment facilities as well as certain civil society institutions. Over time a unique project identifier system could be established in the TOSSD database to connect up discrete financing elements of a specific project provided by different public and private actors.

SOURCES OF CROSS-BORDER FLOW COMPONENT DATA



MEASURING OFFICIAL SUPPORT FOR DEVELOPMENT ENABLERS AND GLOBAL CHALLENGES

TOSSD would also capture resources tackling efforts to promote or address global needs and challenges that, as a consequence of inadequate collective international will, are chronically underfunded. Many of the SDG targets relating to development enablers are new, have a cross-sectoral/indirect character, and are often delivered through global or regional initiatives. The second pillar of the TOSSD framework is designed to capture international support for needs that go beyond national borders and interests – enabling the international community to understand where, and to what extent, international support for promoting development enablers and addressing global challenges is being provided.

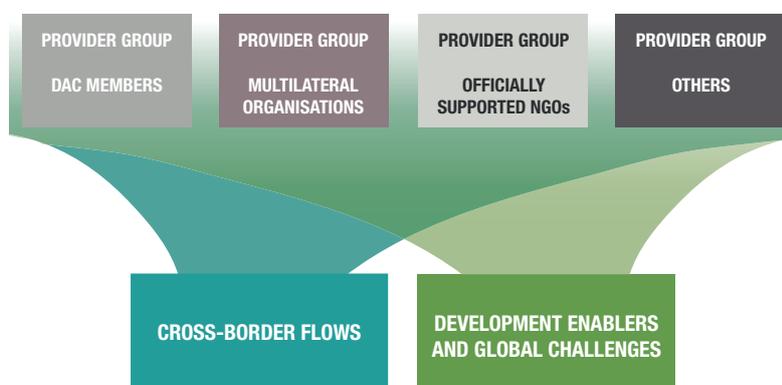


ALL TOSSD DATA WOULD BE FURNISHED BY PROVIDERS

Data underpinning these two components will come from the providers (bilateral, multilateral, and officially supported NGOs) extending the official support – there will be no data reporting requirements for developing countries. The figure on the following page illustrates schematically how TOSSD data will be generated.

TOSSD will be an international statistical standard against which different communities of providers can report their resource flows in support of the SDGs. Each provider group would take charge among themselves of the work to collect data and pass standardised statistics on to data co-ordination and aggregation clearinghouses, which could be housed in different international or regional bodies. It will be important to ensure the standard is upheld in terms of interpreting and applying relevant statistical rules and procedures and the structuring of data.

DIFFERENT PROVIDER GROUPS WILL SUPPLY TOSSD DATA



WHAT'S LEFT TO DO TO FINALISE THE TOSSD FRAMEWORK?

The work to flesh out the TOSSD measurement framework is far from complete. Going forward, the international community will need to discuss and reach consensus on the structure and features of TOSSD as set out in this briefing note. They will also need to take up the following issues:

- **Statistical classifications and boundaries.** TOSSD-eligible countries, sectors and organisations will need to be clarified and agreed in order to ensure TOSSD data is statistically relevant, comparable and sound.
- **Compliance with international disciplines and standards.** Universally agreed norms and standards (labour, trade, environment, investment) will need to be associated with TOSSD operations to ensure they do not give rise to economic distortions (e.g. investments benefitting from different types of trade or investment subsidies or inducements) or are not detrimental to sustainable development outcomes.
- **Data gathering and reporting arrangements.** TOSSD will need to be implemented in a flexible, incremental and consistent way across the international community. The system will need to accommodate discontinuities and lag factors as implementation proceeds e.g. different provider groups starting at different times to report data, strengthening statistical capacity, adjustments to TOSSD definitions, categories and statistical parameters, etc.
- **Establishing a functional, legitimate and representative TOSSD governance/oversight arrangement.** The international community will need to devise a workable system for operationalising, consolidating and maintaining acceptable standards for the TOSSD measurement framework.

WHAT KEY MILESTONES LIE AHEAD?

A TOSSD Task Force composed of a balanced mix of statistical and development policy experts drawn from developing countries, OECD countries and emerging provider countries will be established in association with the United Nations Statistical Commission and the Addis UN Inter Agency Task Force on Financing for Development to clarify the statistical features of TOSSD. This will enable a first initial reporting of TOSSD flows in 2018 which, in turn, will enable data to be compiled and analysed in time for the 2019 UN stock-take of SDG implementation.

TOSSD CRITICAL PATH 2017-2020

